

Remarks at a Bush-Quayle Fundraising Luncheon in San Francisco, California

February 25, 1992

Thank you so much for that welcome back. Pete mentioned this was my 15th visit. But you have a wonderful way of making people feel at home in this State. Thank you very much. And may I just say from halfway across the world, or at least in the east coast, watching with wonder, what a superb job, fighting difficult conditions, your Governor is doing. It's an inspiration to all of us in politics, I'll tell you. And Gayle, our greetings to you.

May I thank the Skyline College Musicians over there and pay my respects to Eric Stratman, who got up and gave us that wonderful rendition of the Star-Spangled Banner. No pitch pipe, no nothing, just the beautiful music, and we were all so moved by that. And though he didn't confess to this, your bishop or our bishop—my bishop, put it that way, and Barbara's—he used to be our pastor in Washington, DC, before he was elevated to being bishop here in San Francisco. And Bill, thank you, sir, for being with us today and for those inspiring words.

And of course, let me single out the master of ceremonies. I've seen him in all kinds of roles in terms of dealing with world leaders. I've never seen him, I don't believe, as master of ceremonies. But George Shultz is one of the truly great public servants. And I'm delighted to see he and Obie again.

And I want to salute our former Cabinet member Bob Mosbacher; and Bobby Holt here is our national campaign finance chairman; Jim Dignan, the California State chair; Katie Boyd and Howard Leach, who have done a superb job on this overflow luncheon. And also, Gretchen is out here who graciously met us at the airport. Thank you for all the work on the luncheon. And to all the other national vice chairs—Alex Spanos and Don Bren and Craig Berkman and Flo Crichton of the finance team. And a special thanks to Mr. Yong Kim over here, and to my old friend, Johnny Tsu over there, who have done a great job on this. Thank you all.

To paraphrase John Kennedy, I'm touched by that warm response, but not half as touched as all of you have been.

Before I begin, let me just share and express my concern for all the Californians who, after seemingly endless years of drought, have been ravaged by record floods. I am pleased to announce that today, as I came out on Air Force One, I signed a declaration to provide that much-needed disaster relief to these flood victims. They're hurting, and the Federal Government ought to do its part.

I want to talk to you today about some of the challenges that we face, Pete mentioned some of them, about the decisions we're going to make in this election year that are going to really chart the course of this country's future for the next 5 years. And let me lay it out straight: What Government can do and what it can't do, and what I will do as President, and where I will need your help.

Start, if you will, with the number one issue on everybody's mind, and that is the economy, the Nation's economy. One month ago, as the Governor said, in my State of the Union I laid out a two-part economic plan: for the short term, a plan to get the economy moving as early as this spring, seven points to stimulate investment; and a longer-term plan to keep America competitive in the new century ahead. I asked the Democrats who control all the committees in the Congress, both Houses of the Congress, to act for the good of the country. And I gave Congress 52 days to pass the plan.

Since then, some Democrats have been wrestling with their consciences. It is too early to predict who will win. But instead of working on my plan, the House Democrats surfaced their own, a tiny tax cut across the board, written in invisible ink, in exchange for a huge tax increase chiseled into stone. Ask the people out there, your neighbors, is it really worth borrowing from our children to give families an extra 25 cents a day?

That two-bit tax cut would make even the tooth fairy blush. It is not good legislation.

When the cameras are on, the Democrats say all the right things, especially in a political year, talk about a blueprint for an economic recovery. But then the doors close, and the backroom brokering begins. And in the end, it is the same old Democratic deal, another "jobs bill," but this one for the tax collectors.

Now, if the Senate Democrats want to make their temporary tax cut permanent, and this is a fact, they would have to jack up the income tax rate for every American making more than \$35,000. You heard that right, \$35,000, for a plan that's supposed to help the middle class. And that's going to come as real news to a lot of factory workers and school teachers and everyday Americans that are just struggling to make ends meet. So they are going to tax the middle class for the same reason that Willie Sutton robbed the banks, because that's where the money is.

If you want to give American companies reason to expand, then give them what we are calling for, an investment tax allowance. Speed up the rates of depreciation. If you want to boost the sagging housing market and if you want to give American families a real shot at the American dream, then don't look to the liberal leadership in the Congress. Give first-time homebuyers what our plan does, a \$5,000 tax credit toward that first home. Finally, let me just say to the Congress here: If you're serious about competitiveness, if you're serious about creating jobs, then cut the tax on capital gains. These points I've listed, and four more, will stimulate the economy right away.

Now, let's switch over to the defense side of the equation. I'm sure you're reading a great deal about defense cuts. For decades we faced a very dangerous enemy abroad. And we fought the Democrats, those liberal ones at home, who would have stripped this Nation of the strength that it needed to defend itself and to defend freedom. Republicans fought hard on both fronts. Pete Wilson was a leader in this fight when he was a United States Senator. And winning the defense battle on Capitol Hill, as George Shultz will tell you, helped us win the cold war. No one understood that better than

my predecessor, Ronald Reagan. He understood it from day one and fought for a strong defense.

Now, given the changes in the world—and they're dramatic and they are wonderful in terms of the future of our kids—given the collapse of the Soviet Union, we know now we can reduce defense spending substantially. So I went to the Joint Chiefs and to Dick Cheney, and based on the recommendation of the Joint Chiefs and the Secretary of Defense, I've proposed a substantial but a sensible defense build-down, one that will recognize post-cold-war realities but still leave this country with the muscle that we need to meet whatever danger comes our way or help defend those whose freedom are at stake.

And we have a number of Federal programs aimed at helping defense industry workers as they seek new careers now because of our defense cuts. We're taking steps to ease the transition that many firms will face as they shift from defense-related work to the commercial economy. That's what this technology transfer initiative is all about that I've proposed, getting research done in Government labs out into the private economy. And in May we're going to bring that message to Cal Tech through our national technology initiative. And that's good news for the high-tech firms right here in the Silicon Valley and all across this State. Our approach is the sensible way to go, the right way to keep the economy sound, and our Nation safe.

But there are political problems. There are Democrats with a different plan in mind in the United States Congress. They want to use the end of the cold war to open a bidding war to see who can gut the Defense Department the fastest. One plan would cut defense by an additional \$200 billion over 5 years. Nationwide, cuts on that scale would wipe out hundreds of thousands of jobs, say nothing about rendering us incapable of responding to aggression overseas.

You might think about that. Right now, \$1 out of every \$5 spent on defense is spent right here in California. Think of the shock waves that would touch off in the construction and electronics and aerospace indus-

tries and the aftershock for the real estate markets. Think of the workers, the welders to the engineers, thrown out of work and onto welfare. You can call it a double play, a Democratic double play, cripple our defenses and the same for the economy, all at the same time.

For the sake of national security—and I still view that as my most fundamental responsibility, the national security of this country; I think that is the prime responsibility of the President—for the sake of just plain economic common sense as well, and for the sake of California and the country, I ask you to draw the line and say no to those Democrats who want to recklessly cut the muscle out of the national defense of this country.

We can turn this economy around, provided we deal in economic reality. It all comes down to this: To succeed economically at home, we've got to lead economically abroad. There is no better case in point than this wonderful State of California, none. This State accounts for \$1 in every \$7 of American exports. In 1990 alone, two-way trade reached nearly \$166 billion. For the past 5 years that's an average annual increase of 20 percent. And statewide, I think Pete would agree, it means something like three-quarters of a million, I believe the figure is 725,000 jobs, close to three-quarters of a million, tied into trade.

It is more true than ever before: America's future lies in open markets. It does not lie in this negative view of protection. But the people we are battling in the Congress today aren't about to let the fact intrude on the fantasy. Their prescription for the nineties is really to pull back—not all of them but some of them—to pull back and sound an economic retreat, and then to raise up trade barriers, all in the name of fair trade, but to raise up trade barriers, build new barricades to keep imports out, and take this country back to a dangerous pre-World War II isolationism. As long as I am President, that will not happen to the United States of America.

That's not the American way, certainly not the California way. We don't cut and run. We compete. And we work hard. And I've got a lot of faith in the American worker because our workers have a lot of faith

in themselves. If we can do better and make more progress in clearing away the trade barriers and go head-to-head, the American worker will outthink and outperform and outproduce anybody, anyplace, anytime. It's that direction that we've got to take this country.

There's a new reality now in the way people live and work and look at Government. People really don't buy that old "big Government" rhetoric. The American people have seen enough of what we call social engineering. They know the limits of Government. They know that our greatness doesn't spring from Government. America's strengths are in her people, in our families, in our communities. Government can't raise your kids to know right from wrong. It can't legislate happy endings. Government isn't why people work hard, raise a family, save for retirement. And people know, as Government tries to do more and more, it delivers less and less.

And year after year, the main opposition on the Hill, the liberal Democrats who control the Congress, have pushed spending higher and higher. In 1993, the Federal Government will spend \$1.5 trillion of taxpayers' money. People are entitled to ask, "Am I getting my 1.5 trillion's worth?"

We need to get back to the basics that Government is too big, and it spends too much. And that leads me to ask you to urge your Congress to give me the line-item veto—43 Governors have it—and give the President, the executive branch, a chance. We need for Government to do less but do better, to focus on what people want and deserve: safe streets, good schools, strong economy, and certainly a strong country.

Today we see the return of responsibility, an old idea that never really went out of style. People have had it with the no-fault lifestyle. In their private lives, they know actions have consequences. What they want is a Government whose policies and programs recognize that people are responsible for their actions and that Government is responsible to the people. Now, if you think about it, that's nothing more than a working definition of freedom.

Because we believe in responsibility, we believe in education reform, fundamental

reform. We've laid out a strategy called America 2000, to literally revolutionize our schools. It's not Democrat; it's not Republican. It's not liberal; it's not conservative. It is American, supported by the 50 Governors to meet our six education goals.

We need to hold our kids and our teachers to a higher standard; that's part of it. And here's a radical notion: Let's test these kids at the 4th and the 8th and the 12th grade, see what we're doing, where we're doing it well, and where we need to do more work. Our schools need a good dose of competition with each other. Right now, kids are a captive audience. You give the parents a chance to choose their children's schools, and you'll see our schools start doing their homework. And the bad schools will be picked up by the competition. School choice is working where it's in effect, and it will work nationwide.

Because we believe in responsibility, we back legal reform. Here's the fact: America's become the land of the lawsuit. We've put forward a plan, it's up on the Hill, to cut down a number of frivolous lawsuits. They sap our economy. They strain our patience. When a father can't coach Little League because he's worried about getting sued, something's wrong. When your neighbor becomes a plaintiff, something's wrong. Our country would be a lot better off if we spent as much time helping each other as we do suing each other.

Because we believe in responsibility, we take a hard line on drugs and crime. Tomorrow I go to San Antonio, Barbara and I go down there, and will meet with five or six Latin American Presidents, working with them to sharpen our strategy to beat the scourge. Yes, we're waging a war to cut the supply lines that bring drugs into this country. Interdictions are at an all-time high. But we're battling on the demand side as well. We set a goal to drive down the current adolescent cocaine use by 30 percent. That was our national goal. And we've seen a dramatic 60-percent decrease. Now, that's good news. That's good news for families across this country.

But we all know that we can't begin to claim total victory yet. We must show that here, too, actions have consequences. And that's why we need stiffer sentences for

these drug dealers, courts that punish criminals, not honest cops trying to do their job out there, and laws that make life tougher on the criminals than on the victims of crime.

Because we believe in responsibility, I believe as Pete does, we believe as your Governor does in welfare reform. People are willing to support benefits. They've always been willing to give a hand up. Americans care. But they want to see some connection between welfare and work. They want to see governments at every level work together to track down the dead-beat fathers, the ones who can't be bothered to pay child support. And I think most of all they want to see us break this cycle of dependency, a cycle of dependency that destroys dignity and says to a little guy when he's just starting up, "You really don't have much of a chance," passes down poverty from one generation to another. That's wrong. We're going to do something to change it.

Right here in California, Governor Wilson's got a plan that will encourage people on welfare to take work when they can find it; for pregnant teens or parents to stay in school, get the education they'll need to make a better future, a future where they won't need that next welfare check.

What can we do to help California? What can we in Washington do? Simple: We can start by getting our bureaucracy out of the way. And we'll do all we can, Pete, to remove those Federal regulations, to help you cut through that web of redtape to real reform.

These reforms—changes we make now to boost the economy and to transform our schools and our legal and our welfare systems—can really spark a revolution, a revolution to bring this country home to the bedrock beliefs that have made us great. And they are fundamental: Family and faith, responsibility and respect, community and country. Simple words, certain truths that hold a world of meaning. I still believe, for every single American.

Here's what I know about this country's future: No matter how tough times are now, no matter what trials we face, America's best day always lies ahead. I believed

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that when I was a little kid. I believe it now. I am totally confident about the recovery of this country. And I'll believe it every day I live because that, in essence, is the great glory of our wondrous country.

Thank you all, and may God bless the United States of America.

Note: The President spoke at 1:13 p.m. at the Westin St. Francis Hotel. In his remarks, he referred to Gov. Pete Wilson's

wife, Gayle; Rt. Rev. William E. Swing, Episcopal Bishop of California; George P. Shultz, former Secretary of the Treasury, and his wife, Obie; Katie Boyd, luncheon cochairman and California Bush-Quayle campaign vice chairman; Howard Leach, luncheon cochairman and regional campaign vice chairman, and his wife, Gretchen; and Yong Kim and Johnny Tsu, national campaign vice chairmen.

Statement by Press Secretary Fitzwater on General Motors Plant Closings

February 25, 1992

The White House made no attempt whatsoever to influence General Motors' decision over which plants to close and which plants to keep open. The White House considers such matters to be internal corporate decisions.

The President is very much aware of the

human costs associated with these tough economic times. This recent plant closing announcement underscores the critical importance of the Congress acting promptly on the President's economic growth package before the March 20 deadline set down in the President's State of the Union Address.

Letter to Congressional Leaders Reporting on the Cyprus Conflict

February 25, 1992

Dear Mr. Speaker: (Dear Mr. Chairman:)

In accordance with Public Law 95-384 (22 U.S.C. 2373(c)), I am submitting to you this bimonthly report on progress toward a negotiated settlement of the Cyprus question. This report covers the second half of October and all of November and December 1991. During this period there was a pause in the Cyprus negotiating process, in large part associated with national elections in Turkey and the process of government formation that followed. However, during this period, important contacts between the U.N. Secretary General and the Greek and Turkish Governments and the leaders of the two Cypriot communities continued, as did contacts of U.S. representatives with all parties.

The U.N. Secretary General's report on his good offices mission of October 8 and

U.N. Security Council Resolution 716 of October 12 (both attached to my last report to the Congress) were widely discussed in Cyprus, Greece, and Turkey. On November 30, 1991, the U.N. Secretary General issued his semiannual report on U.N. Operations in Cyprus covering the period from June 1, 1991, through November 30, 1991 (copy attached). This was a prelude to the renewal, on December 12, by the U.N. Security Council of the mandate of UNFICYP, the U.N. Force in Cyprus, for an additional 6 months to start on December 15. (There had been informal discussion of changing the method of financing UNFICYP, but no changes were made although it was agreed to consider again, during the current mandate period, moving toward assessed rather